Insight

Revisiting the Idea of a Paperwork Budget

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EXECUTIVE SUMMARY

- Despite broader deregulatory efforts, the cumulative amount of paperwork imposed by the federal government has increased by over one billion hours in recent years.
- A "paperwork budget" based upon current data and practices could help contain such rampant growth.
- Additionally, such a program has the potential to become lasting policy as it is inherently less contentious on a political level.

INTRODUCTION

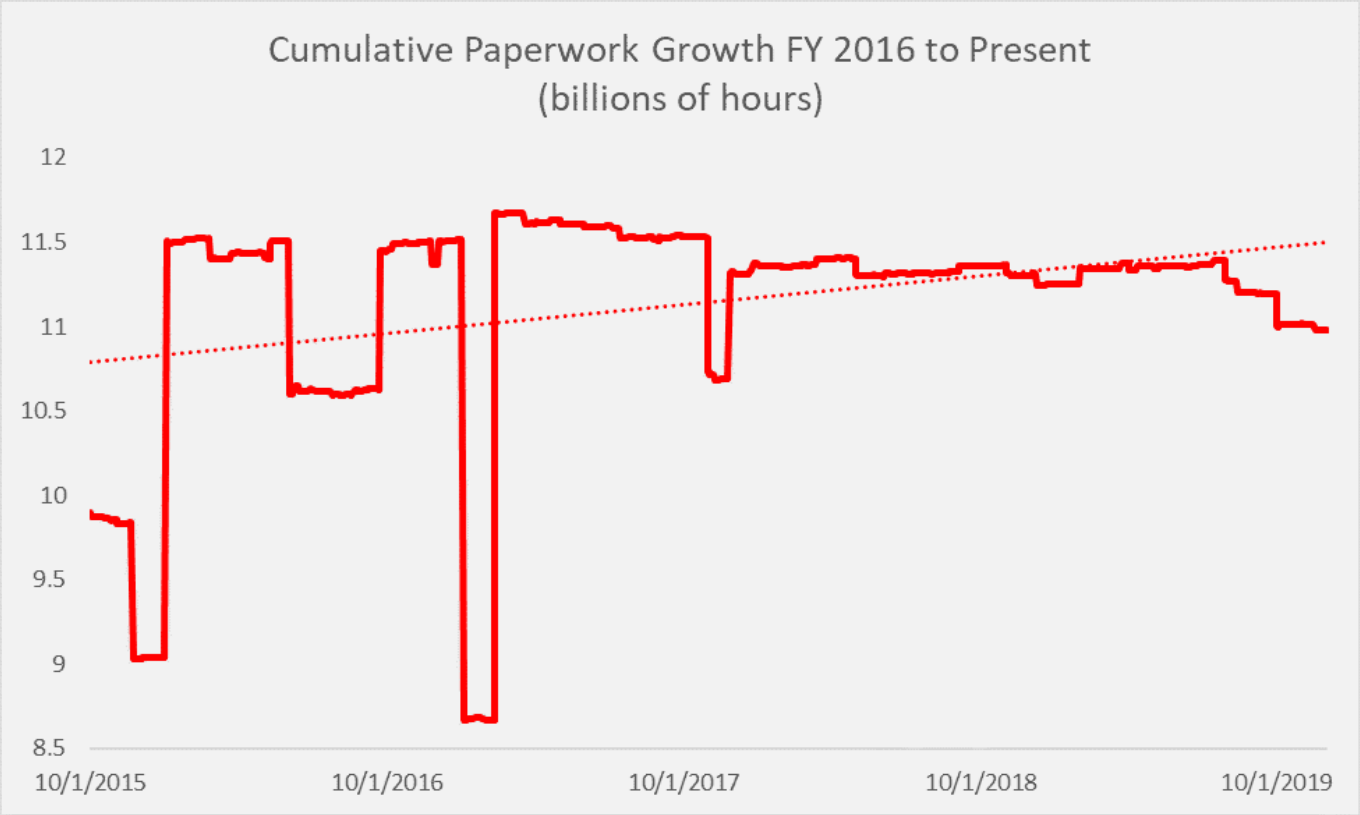
As of December 2019, it has been three years since the federal government produced its "Information Collection Budget" (ICB) report as required under the Paperwork Reduction Act (PRA). If you are among the 99.99 percent of Americans who have not had reason to peruse the Office of Management and Budget's (OMB) website regularly over the past few years, you could be forgiven for failing to notice this relatively banal bureaucratic anniversary. Since the last report's publication, however, the cumulative load of paperwork requirements (as compiled by the Office of Information and Regulatory Affairs, or OIRA) has grown by more than one billion hours. The titular aim of the PRA has clearly not been met. While the absence of this report is hardly the main causal factor in this trend, it does give occasion to reexamine the merits of a paperwork budget – especially since the executive branch is operating with a version of a regulatory budget regime under Executive Order (EO) 13,771.

WHAT IS A PAPERWORK BUDGET?

In 2013, the American Action Forum (AAF) presented the idea of a paperwork budget as a kind of preliminary step in establishing a broader regulatory budget. As that report explains, a paperwork budget would establish: A) a baseline estimate of the current paperwork burden imposed by each agency, and B) a process that sets a cap for each agency to reach in a given year. The actualized version could largely follow the form of EO 13,771, with the release of an EO establishing its overarching structure and then subsequent guidance that further spells out the specifics. Such a program could also be enacted legislatively as a supplement to the PRA.

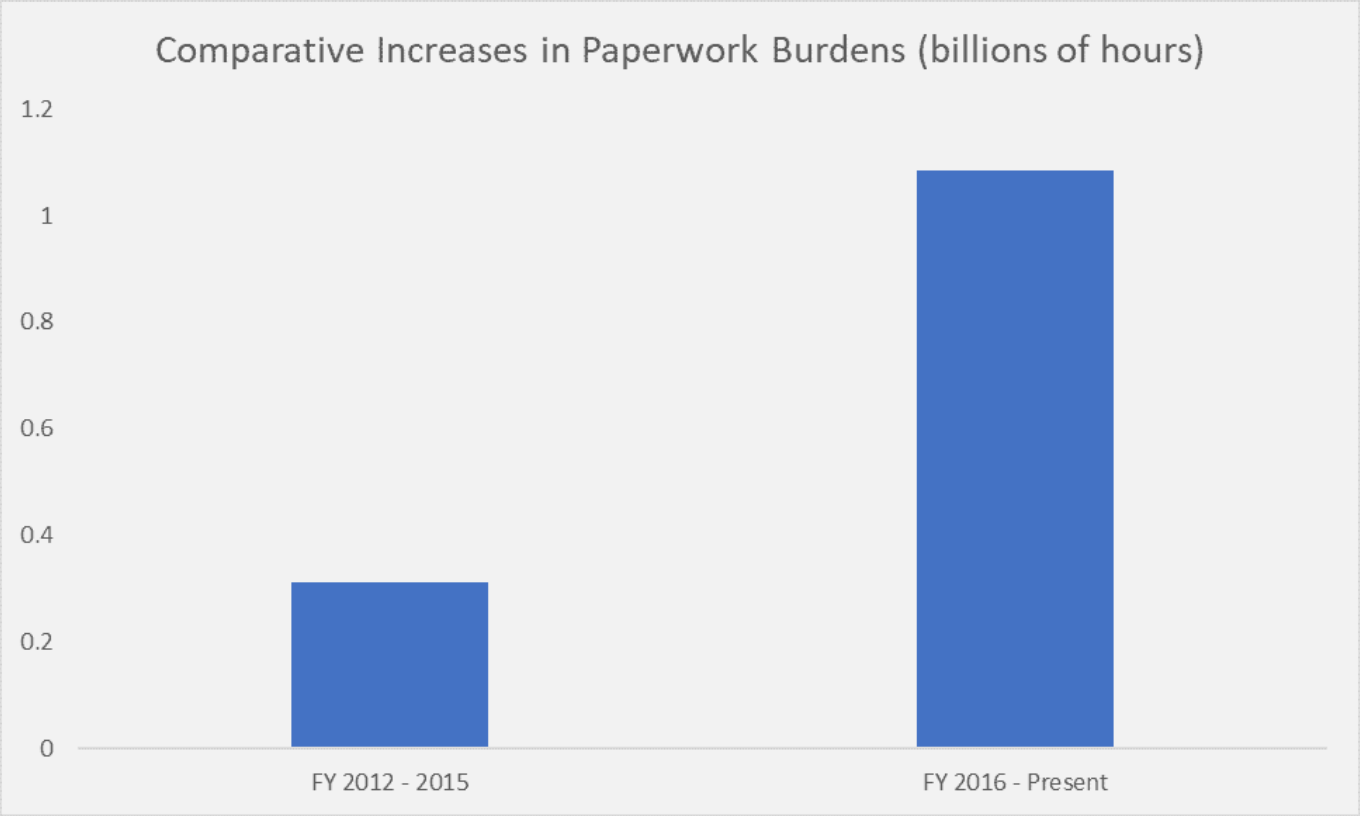
WHY IS IT NEEDED?

As noted earlier, the government-wide cumulative paperwork burden has ballooned by more than one billion hours since the ICB report was published. The table below shows this growth from October 1, 2015 (the first day of FY 2016 since FY 2015 was the last period an ICB covered) through December 2, 2019 (the first recordable day of this month).



While there have been some dramatic periodic spikes up and down at times, the trend is demonstrably upward. The graph starts at approximately 9.9 billion hours and ends at nearly 11 billion hours, a 1.1 billion hour increase. Using data from previous ICB reports,

the following graph compares this increase to that experienced from FY 2012 through FY 2015 (roughly 310 million hours).



The level of paperwork over the past four years has increased at nearly four times the rate it did under that earlier four-year timeframe. These most recent years have, of course, included the Trump Administration's deregulatory efforts that would presumably have put some downward pressure on this trend. "Budget" may be in the ICB report's title, but it – and the PRA writ large – has clearly failed to constrain the growth of paperwork requirements.

WHY IS IT A GOOD IDEA?

A core reason for a implementing an actual paperwork budget is that much of the data one would need is already available. OIRA has a repository of the cumulative paperwork burdens imposed by "information collection requirements" (ICRs) utilized by agencies that it updates daily. That establishes a baseline, both overall and on an agency-by-agency level. The ICR clearance process already includes hard estimates of how changes in certain requirements would affect their public burden. As some have pointed out, a broader regulatory budget framework that deals with societal costs and savings faces some concerns on an accounting level; a paperwork budget that utilizes and expands upon this more concrete OIRA data largely avoids such issues.

Beyond such mechanical issues, another key advantage of a paperwork budget is its relative political neutrality. The policy goal of a paperwork budget is to constrain the time and cost burdens imposed by federal paperwork requirements. Barring overly dramatic cuts to ICRs that somehow adversely affect federal agencies' effectiveness in a material way, there is no real curb on their regulatory mandates or powers. As such, changes to burden levels avoid the political tensions involved in substantive changes to actual health and safety regulations. A responsibly managed paperwork budget presents negligible downside with the generally uncontroversial economic good of alleviating unnecessary paperwork.

HOW WOULD IT WORK NOW?

As noted earlier, when AAF first wrote about the concept of a paperwork budget, it was as a first step toward a regulatory budget. Since we now live in a world that has such a regulatory budget framework in place, it may seem as though a paperwork budget's time has come and gone. Not so fast. A paperwork budget can run alongside a broader regulatory budget – and enhance it in certain respects.

Per the administration's guidance document on the matter, EO 13,771 deregulatory actions can come in the form of "Information collection requests that repeal or streamline recordkeeping, reporting, or disclosure requirements." There have been some such actions recorded in the administration's EO 13,771 reports, but there is still presumably a wide array of ICRs out there that deserve further scrutiny. Such actions could present an opportunity for additional EO 13,771 cuts as agencies face a diminishing universe of traditional rulemakings to adjust. Streamlining paperwork requirements under the auspices of simple best practices criteria (e.g. making paper forms available electronically, consolidating certain forms into "common forms" for interagency use, etc.) could provide substantial savings in a relatively noncontroversial way.

There is also the question of stability. As one of the primary pillars of this administration's domestic policy agenda, the EO 13,771 regulatory budget will continue at least as long President Trump or a like-minded successor remains in office. If a less deregulatory-minded president takes office, however, such a policy is likely to be among the first to go as it is merely an administrative measure implemented at the discretion of whomever occupies the executive branch. Meanwhile, a less politically charged program like a paperwork budget may have a shot at remaining standing policy. Landmark regulatory policy proclamations based upon consensus principles of good government such as EO 12,866 (establishing OIRA review of significant regulations) and EO 13,563 (reaffirming 12,866 and establishing retrospective review protocol) have survived across multiple cross-partisan terms. Furthermore, a legislatively implemented paperwork budget would obviously be even more

secure with the potential to be a more politically palatable option than recent attempts to fully codify the broader regulatory budget concept.

CONCLUSION

Despite the Trump Administration's overall deregulatory posture, there is data to suggest that the plethora of forms emanating from federal agencies has continued to grow at a surprising rate. The last government report regarding paperwork came out three years ago, and since then the cumulative stock of paperwork burdens has increased by more than one billion hours. A paperwork budget, working in concert and perhaps beyond the current administration's regulatory budget, could provide a lasting mechanism to keep red tape at bay.